

Purchasing & Contracting



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Purchasing & Contracting



Department Description

The Purchasing & Contracting Department endeavors to meet or exceed federal, State, City and departmental standards while providing excellent customer service associated with administration of the City's centralized procurement and materials management functions to ensure the availability of materials, supplies, equipment, and services to meet the City's operational needs.

The Department manages the awarding of contracts for professional and general services that are necessary to support the City's operational and administrative functions and facilitates the City's Managed Competition processes. Procurement professionals carry on the daily operational contracting needs of the organization, maintain the warehousing of essential materials, support mail center and delivery operations citywide, and administer internal service level agreements. Department staff is instrumental in developing City policies and procedures that reflect the City's leading edge approach to social, environmental, and economic goals.

The Department's mission is:

To support the achievement of the City's Strategic Plan goals and objectives by providing superior services and support to City departments and customers for the centralized acquisition of services and supplies

Goals and Objectives

The following goals and objectives represent the action plan for the Department:

Goal 1: Procure high quality products and services for the best value, supporting fiscally-sound, efficient City government

Providing the highest quality products and services at the best value is central to the City's ability to meet its operational goals and responsibilities. The Department will continue toward accomplishing this goal by focusing on the following objectives during the next fiscal year:

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- Identify and evaluate opportunities to standardize and smooth Department operations focusing on organizational structure, work assignments, and policy review and revision
- Evaluate, refine, and reengineer procurement processes to optimize the use of SAP
- Continue to evaluate opportunities for strategic sourcing and institute new fiscally advantageous relationships
- Initiate and develop tools to improve vendor performance measurement through the creation of vendor metrics and dashboards
- Initiate development of new processes to more readily adapt Department policies to evolving City Council mandates through effective policy development
- Initiate development of new tools and metrics to facilitate improved cost, operational, and management analysis
- Develop new criteria for incorporating sustainable practices into procurement considerations
- Increase the number and variety of diversity and local business outreach programs

Goal 2: Effectively facilitate the procurement of services and materials and manage related data leading to a fiscally-sound, efficient City government

Creating more simplified, precise, and easily managed contracts, agreements, and supporting documents is necessary to improve operational cost effectiveness and will result in more efficient and timely receipt of goods and professional services. The Department will work toward accomplishing this goal by focusing on the following objectives during the next fiscal year:

- Develop new integrated technical solutions for contract management by increasing the use of SAP
- Increase bid response through the expansion of the vendor outreach program
- Increase the number of Departmental and client oriented contract administration training opportunities
- Improve internal customer complaint response process
- Develop a more precise program to resolve contractor and supplier issues in a timely manner
- Complete analysis of the Supplier Relationship Management (SRM) capabilities of SAP present a formal recommendation for action
- Develop a program for reverse auctions for needed City materials

Goal 3: Provide excellent customer service

Ensuring that customers are provided excellent service is paramount to the overall effectiveness of the City. The Department will provide responsive and timely customer service to enable City employees to perform their jobs most effectively. The Department will work toward accomplishing this goal by focusing on the following objectives during the next fiscal year:

- Provide personal support and ready reference resources for the use of internal and external customers
- Provide ongoing customer service training for Department staff
- Improve departmental teamwork through enhanced internal communications and increased participation in strategic meetings
- Solicit increased customer feedback to improve responsiveness and service delivery by instituting a focused Purchasing & Contracting customer survey

Goal 4: Pursue continuous workforce learning to ensure assimilation of critical professional and technical knowledge and development of high performing skill sets facilitating the development of a more responsive and innovative workforce

Developing and retaining a trained and skilled workforce is essential to the stability and success of the Department and the overall effectiveness of client departments. Ensuring that employees are adequately trained, that they continue to pursue professional development/education and certification, and that they take advantage of development opportunities helps create a high performing organization that operates more efficiently and effectively. The Department will continue to work toward accomplishing this goal by focusing on the following objectives during the next fiscal year:

- Participate in professional organizations and serve on regional collaborative contracting efforts

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- Support professional development and training toward relevant professional certification
- Implement internal team rotations and employee cross-training

Goal 5: Promote the highest ethical standard and behavior among employees to promote public trust and confidence in City government

The Department will work toward accomplishing this goal by focusing on the following objectives:

- Annually conduct a Department-wide review of professional standards and ethical practices
- Annually provide training on ethic standards set by National Institute of Governmental Purchasing (NIGP), National Association of Purchasing Managers (NAPM), and/or the National Contract Management Association (NCMA)

Service Efforts and Accomplishments

The Purchasing & Contracting Department has accomplished the following:

- Received the Achievement in Excellence in Procurement award for Fiscal Year 2011
- Processed over 7,000 purchase orders for goods and services
- Facilitated three Managed Competition processes leading to significant budgetary savings and improved service delivery
- Initiated the Maintenance, Repair, and Operations (MRO) purchasing program with five primary vendors and initiated expansion of the program to second tier vendors
- Awarded forty-three Community Development Block Grant Contracts (CDBG)
- Completed oversight of improvements to 20th and B facilities to support the consolidation of delivery services for implementation of the Delivery Services Business Process Reengineering (BPR)
- Initiated the transfer of 350 Information Technology contracts involving 150 plus vendors from SDDPC to the City
- Implemented DemandStar automated vendor registration and procurement program
- Implemented in-house review and management of vendor insurance and bonds
- Standardized contract terms and conditions and condensed the RPF template resulting in a reduction of document size from 100 to 20 pages
- Received an efficiency award from the US Communities Group for use of a minimum of 10 corporative agreements for five years
- Revised the process for establishing CDBG contracts and accounting to facilitate improved project startup and invoice payment
- Instituted the use of point-based evaluation systems for best value procurements
- Completed the Department reorganization and replacement of vacant positions

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Key Performance Indicators

Performance Measure	Actual FY2011	Estimated FY2012	Target FY2013
1. Percent of departmental customer survey rating scores above '3' (on a 5 point scale)	87%	85%	85%
2. Cost savings/cost avoidance achieved via strategic purchase processes	\$259,751 ¹	\$740,459 ²	\$429,000 ³
3. Percent of departments that complete procurement (p-card) reconciliations on time ⁴	42%	52%	56%
4. Number of central warehouse items supplied to client departments annually ⁴	85,683	88,000	89,000
5. Number of supplier education/outreach workshops conducted annually ⁴	8	9	12
6. Number of client department educational workshops conducted annually ⁴	12	10	12
7. Number of vendor reviews and conferences completed annually ⁴	N/A ⁴	10	20

¹ Fiscal Year 2011 data is based on actualized market based price discounts from the original contract price for the Caustic Soda contract and from negotiated price reductions for Professional Actuarial Consulting Services for the City's Defined Benefit Retirement Plan.

² Fiscal Year 2012 Estimated data is based on projected market based discounts for the Caustic Soda contract and new cost savings (over current contract pricing) provided by a co-operative contract for uniforms in which the City is the lead agency. Actual savings or cost avoidance is determined at the end of each fiscal year.

³ Fiscal Year 2013 Target data is based on projected market based discounts for the last five months of the Caustic Soda contract and savings derived from the uniforms co-operative contract. Actual savings or cost avoidance is determined at the end of each fiscal year.

⁴ This was a new measure in Fiscal Year 2012.

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Department Summary

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Positions (Budgeted)	60.00	62.39	56.74	(5.65)
Personnel Expenditures	\$ 4,776,516	\$ 5,269,946	\$ 4,377,642	\$ (892,304)
Non-Personnel Expenditures	28,678,603	23,801,122	12,084,619	(11,716,503)
Total Department Expenditures	\$ 33,455,119	\$ 29,071,068	\$ 16,462,261	\$ (12,608,807)
Total Department Revenue	\$ 30,822,352	\$ 24,946,510	\$ 13,870,093	\$ (11,076,417)

General Fund

Department Expenditures

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Purchasing & Contracting	\$ 3,541,043	\$ 5,018,108	\$ 3,121,668	\$ (1,896,440)
Total	\$ 3,541,043	\$ 5,018,108	\$ 3,121,668	\$ (1,896,440)

Department Personnel

	FY2011 Budget	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Purchasing & Contracting	37.00	39.39	30.39	(9.00)
Total	37.00	39.39	30.39	(9.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Addition of Deputy Director Addition of 1.00 Deputy Director, and associated non-personnel expenditures, to lead key initiatives for the improvement of overall operational efficiency and effectiveness.	1.00	\$ 193,814	\$ -
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2012 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	2.00	180,587	-
Maintenance, Repair, and Operation (MRO) Procurement Program Addition of 1.00 Procurement Specialist and 1.00 Contract Processing Clerk to assist in the MRO Procurement Program.	2.00	150,763	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(5,640)	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.00	(7,784)	-

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Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Copier Savings Adjustment to reflect savings resulting from the new convenience copier contract.	0.00	(8,893)	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	(41,144)	-
One-Time Reductions and Annualizations Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2012.	0.00	(900,000)	-
Transfer of Contracting Team Transfer of 14.00 FTE positions on the Contracting team, and associated non-personnel expenditures and revenue, from the Purchasing & Contracting Department to the Public Works - Engineering & Capital Projects Department to improve the efficiency of awarding public works projects.	(14.00)	(1,458,143)	(407,000)
Revised Revenue Adjustment to reflect Fiscal Year 2013 revenue projections.	0.00	-	42,950
Total	(9.00)	\$ (1,896,440)	\$ (364,050)

Expenditures by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
PERSONNEL				
Salaries and Wages	\$ 1,968,484	\$ 2,249,733	\$ 1,666,434	\$ (583,299)
Fringe Benefits	1,283,736	1,455,180	1,138,588	(316,592)
PERSONNEL SUBTOTAL	\$ 3,252,220	\$ 3,704,913	\$ 2,805,022	\$ (899,891)
NON-PERSONNEL				
Supplies	\$ 46,990	\$ 50,364	\$ 43,150	\$ (7,214)
Contracts	77,645	147,995	109,104	(38,891)
Information Technology	158,374	174,075	132,931	(41,144)
Energy and Utilities	2,128	3,720	3,425	(295)
Other	3,686	22,241	21,038	(1,203)
Transfers Out	-	914,800	6,998	(907,802)
NON-PERSONNEL SUBTOTAL	\$ 288,823	\$ 1,313,195	\$ 316,646	\$ (996,549)
Total	\$ 3,541,043	\$ 5,018,108	\$ 3,121,668	\$ (1,896,440)

Revenues by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Charges for Services	\$ 971,493	\$ 823,550	\$ 459,500	\$ (364,050)
Other Revenue	154,762	70,000	70,000	-
Rev from Other Agencies	500	-	-	-
Total	\$ 1,126,755	\$ 893,550	\$ 529,500	\$ (364,050)

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Personnel Expenditures

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
Salaries and Wages						
20000012	Administrative Aide 1	2.00	2.00	0.00	\$36,962 - \$44,533	\$ -
20000024	Administrative Aide 2	2.00	2.00	1.00	42,578 - 51,334	50,051
20000071	Assistant Engineer-Civil	1.00	2.00	0.00	57,866 - 69,722	-
20000145	Associate Engineer-Civil	2.00	2.00	0.00	66,622 - 80,454	-
20000119	Associate Management Analyst	5.00	4.00	2.00	54,059 - 65,333	129,033
20000539	Clerical Assistant 2	1.00	1.00	0.00	29,931 - 36,067	-
90000539	Clerical Assistant 2 - Hourly	0.00	0.00	1.00	29,931 - 36,067	29,931
20000545	Contracts Processing Clerk	3.00	3.00	4.00	32,968 - 39,811	149,416
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	139,678
20001168	Deputy Director	0.00	0.00	1.00	46,966 - 172,744	118,000
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	43,555
20000293	Information Systems Analyst 3	1.00	1.00	1.00	59,363 - 71,760	71,760
20000680	Payroll Specialist 2	1.00	1.00	1.00	34,611 - 41,787	40,742
20000791	Principal Procurement Specialist	2.00	2.00	2.00	59,363 - 71,864	131,227
90000791	Principal Procurement Specialist - Hourly	0.00	0.00	0.39	59,363 - 71,864	23,152
20000227	Procurement Specialist	7.00	7.67	10.00	49,109 - 59,488	501,930
20001222	Program Manager	1.00	1.00	0.00	46,966 - 172,744	-
90000783	Public Information Clerk - Hourly	0.00	1.00	0.00	31,491 - 37,918	-
20000890	Senior Civil Engineer	2.00	2.00	0.00	76,794 - 92,851	-
90000890	Senior Civil Engineer - Hourly	0.00	0.39	0.00	76,794 - 92,851	-
20000927	Senior Clerk/Typist	1.00	1.00	1.00	36,067 - 43,514	43,514
20000015	Senior Management Analyst	1.00	1.00	0.00	59,363 - 71,760	-
20000879	Senior Procurement Specialist	1.00	1.33	2.00	53,955 - 65,270	117,593
20000756	Word Processing Operator	2.00	2.00	2.00	31,491 - 37,918	73,940
	Bilingual - Regular					2,912
Salaries and Wages Subtotal		37.00	39.39	30.39	\$	1,666,434

Fringe Benefits

Employee Offset Savings	\$ 23,035
Flexible Benefits	180,401
Long-Term Disability	11,151
Medicare	24,491
Other Post-Employment Benefits	177,738
Retiree Medical Trust	143
Retirement 401 Plan	574
Retirement ARC	574,059
Retirement DROP	1,991
Retirement Offset Contribution	5,206
Risk Management Administration	29,080
Supplemental Pension Savings Plan	72,477
Unemployment Insurance	5,124

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Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
	Workers' Compensation					33,118
Fringe Benefits Subtotal						\$ 1,138,588
Total Personnel Expenditures						\$ 2,805,022

Central Stores Fund

Department Expenditures

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Central Stores	\$ 29,914,076	\$ 24,036,151	\$ 13,340,593	\$ (10,695,558)
Purchasing & Contracting	-	16,809	-	(16,809)
Total	\$ 29,914,076	\$ 24,052,960	\$ 13,340,593	\$ (10,712,367)

Department Personnel

	FY2011 Budget	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Central Stores	23.00	23.00	26.35	3.35
Total	23.00	23.00	26.35	3.35

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Delivery Services Consolidation Transfer of 5.00 Auto Messenger 1s and non-personnel expenditures from the Library Department as a result of the centralization of the City's delivery functions to improve the efficiency of citywide delivery services.	5.00	\$ 304,540	\$ -
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	30,097	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.35	13,537	-
Copier Savings Adjustment to reflect savings resulting from the new convenience copier contract.	0.00	(1,515)	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	(5,588)	-
One-Time Reductions and Annualizations Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2012.	0.00	(50,118)	-

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Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Storeroom Consolidation	(1.00)	(80,549)	-
Reduction of 1.00 Storekeeper 2 as a result of the storeroom consolidation.			
Salary and Benefit Adjustments	0.00	(165,654)	-
Adjustments to reflect the annualization of the Fiscal Year 2012 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
Closure of Citywide Open Purchase Order Program	(1.00)	(10,757,117)	(10,712,367)
Reduction of 1.00 Account Clerk, inventory expenditures, and revenue reimbursements due to the closure of the Citywide Open Purchase Order Program.			
Total	3.35	\$ (10,712,367)	\$ (10,712,367)

Expenditures by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
PERSONNEL				
Salaries and Wages	\$ 884,871	\$ 885,344	\$ 846,199	\$ (39,145)
Fringe Benefits	639,425	679,689	726,421	46,732
PERSONNEL SUBTOTAL	\$ 1,524,296	\$ 1,565,033	\$ 1,572,620	\$ 7,587
NON-PERSONNEL				
Supplies	\$ 27,931,980	\$ 21,943,701	\$ 11,045,376	\$ (10,898,325)
Contracts	351,911	377,065	510,333	133,268
Information Technology	54,002	62,363	56,775	(5,588)
Energy and Utilities	70,286	87,643	136,101	48,458
Other	(18,399)	5,587	7,816	2,229
Transfers Out	-	11,568	11,572	4
NON-PERSONNEL SUBTOTAL	\$ 28,389,780	\$ 22,487,927	\$ 11,767,973	\$ (10,719,954)
Total	\$ 29,914,076	\$ 24,052,960	\$ 13,340,593	\$ (10,712,367)

Revenues by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Charges for Services	\$ 29,511,923	\$ 23,947,960	\$ 13,220,593	\$ (10,727,367)
Other Revenue	182,821	105,000	120,000	15,000
Rev from Money and Prop	852	-	-	-
Total	\$ 29,695,597	\$ 24,052,960	\$ 13,340,593	\$ (10,712,367)

Personnel Expenditures

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
Salaries and Wages						
20000011	Account Clerk	2.00	3.00	2.00	\$31,491 - \$37,918	\$ 74,888
20000171	Auto Messenger 1	1.00	0.00	5.00	26,208 - 31,491	153,520
20000110	Auto Messenger 2	6.00	7.00	7.00	29,931 - 36,067	235,687
20000539	Clerical Assistant 2	2.00	0.00	0.00	29,931 - 36,067	-
20000545	Contracts Processing Clerk	0.00	1.00	1.00	32,968 - 39,811	-

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Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
20000227	Procurement Specialist	1.00	1.00	1.00	49,109 - 59,488	-
20000927	Senior Clerk/Typist	1.00	1.00	1.00	36,067 - 43,514	36,067
90000927	Senior Clerk/Typist - Hourly	0.00	0.00	0.35	36,067 - 43,514	12,624
20000950	Stock Clerk	4.00	3.00	3.00	30,056 - 36,275	96,387
20000951	Stock Clerk	1.00	1.00	1.00	30,056 - 36,275	35,368
20000955	Storekeeper 1	1.00	3.00	3.00	34,611 - 41,517	81,996
20000956	Storekeeper 2	2.00	1.00	0.00	37,835 - 45,718	-
20000953	Storekeeper 3	1.00	1.00	1.00	39,811 - 47,882	46,685
20000538	Stores Operations Supervisor	1.00	1.00	1.00	45,573 - 55,078	53,701
	Overtime Budgeted					19,276
Salaries and Wages Subtotal		23.00	23.00	26.35	\$	846,199
Fringe Benefits						
	Employee Offset Savings				\$	8,285
	Flexible Benefits					139,725
	Long-Term Disability					5,548
	Medicare					10,794
	Other Post-Employment Benefits					146,142
	Retirement ARC					309,500
	Retirement Offset Contribution					3,312
	Risk Management Administration					23,966
	Supplemental Pension Savings Plan					38,815
	Unemployment Insurance					2,450
	Workers' Compensation					37,884
Fringe Benefits Subtotal					\$	726,421
Total Personnel Expenditures					\$	1,572,620

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Revenue and Expense Statement (Non-General Fund)

Central Stores Fund	FY2011 Actual	FY2012 [*] Budget	FY2013 Proposed
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ (1,742,433)	\$ (6,340,611)	\$ (2,735,455)
TOTAL BALANCE AND RESERVES	\$ (1,742,433)	\$ (6,340,611)	\$ (2,735,455)
REVENUE			
Interoffice Mail Delivery	\$ 358,595	\$ 371,319	\$ 328,826
Reimbursed Material	27,639,072	22,017,593	11,922,746
Reimbursed Material Surcharge	1,446,929	1,479,134	969,021
Reimbursement Between Funds	67,328	79,914	—
Surplus Property Sales	33,739	30,000	30,000
Surplus Property Sales Surcharge	149,082	75,000	90,000
Interest and Dividends	852	—	—
TOTAL REVENUE	\$ 29,695,597	\$ 24,052,960	\$ 13,340,593
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 27,953,164	\$ 17,712,349	\$ 10,605,138
OPERATING EXPENSE			
Inventory Purchases	\$ 28,389,780	\$ 21,912,216	\$ 11,014,067
Personnel and Non-Personnel Expense	1,524,296	2,140,744	2,326,526
TOTAL OPERATING EXPENSE	\$ 29,914,076	\$ 24,052,960	\$ 13,340,593
TOTAL EXPENSE	\$ 29,914,076	\$ 24,052,960	\$ 13,340,593
BALANCE	\$ (1,960,912)	\$ (6,340,611)	\$ (2,735,455)
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 27,953,164	\$ 17,712,349	\$ 10,605,138

* At the time of publication, audited financial statements for Fiscal Year 2012 were not available. Therefore, the Fiscal Year 2012 column reflects final budget amounts from the Fiscal Year 2012 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.



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